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SUBJECT: PROSPECTS FOR SINO-EU RELATIONS IN 2009

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11. (C) Summary: The cancellation of the China-EU Summit, slated for December 1, was the culmination of a year of poor relations between China and France, according to European Embassy contacts. Since France ceded the rotating EU Presidency to the Czech Republic on January 1, however, China has made several public gestures that indicate a rapprochement is underway in Sino-EU relations. Despite already improved EU-China relations under the Czech presidency, many potential pitfalls lay ahead, including sensitive anniversaries, the potential resettlement of the Chinese-citizen Uighurs detained at Guantanamo, and existing bilateral frictions. The Dalai Lama will continue to be a source of tension, contacts reported. End Summary.

Relations at the Time of the Postponed Summit \_\_\_\_\_

12. (C) A series of missteps between the Chinese and French Governments brought Sino-French relations to a nadir in late 2008 with China's cancellation of the planned December 1 EU-China summit, UK first Secretary Gareth Ward told PolOff January 15. Relations were already strained, with the Chinese side angry over widespread and well-publicized protests during the Paris leg of the Olympic Torch Relay and the French side still smarting from an evident boycott of tourism to France led by the Mayor of Beijing (ref B). already-strained relations led to a breakdown in communication regarding French President Nicolas Sarkozy's intention to meet the Dalai Lama, which resulted in China canceling the summit rather than offering a different diplomatic response that might have saved the endeavor, Ward added. Multiple European Embassy contacts reported that China's cancellation of the summit led many Europeans to question whether a new breed of hardliners had risen to prominence in the Ministry of Foreign Affairs. While previous meetings with the Dalai Lama, particularly those by heads of state, had resulted in a downturn in relations, the severity of China's response to France and the EU was unprecedented, German Second Secretary Dirk Lechelt told us January 20. UK First Secretary Ward agreed, noting that China felt it "had nothing to lose" from such a hard-line response, and, as such, used the Dalai Lama meeting as an excuse to forcefully reassert its position on Tibet.

Sino-EU Rapprochement

 $\P 3.$  (C) Whatever its objectives in canceling the China-EU summit, China appeared to have "overplayed its hand" and was now making overt gestures of rapprochement with the EU, Dutch First Secretary Rob Anderson told us January 20. These gestures included a January 7 telephone call between Czech Foreign Minister Karel Schwarzenberg and Chinese Foreign Minister Yang Jiechi shortly after the Czech Republic assumed the EU Presidency, as well as the EU-China Strategic Dialogue, held between Czech Deputy Foreign Minister Tomas Pojar and Chinese Vice Foreign Minister Li Hui January 19 in Beijing (septel). Chinese Premier Wen Jiabao is slated to visit Europe January 25-February 2 to attend the World Economic Forum in Davos, Switzerland, and will stop in several other European cities, including Brussels, where he will meet with European Commission President Jose Manuel Barroso. According to UK First Secretary Gareth Ward, the stop in Brussels was entirely at Premier Wen's own instigation, and was a reciprocal visit for Barroso's April 24-25, 2008 visit to China. Belgian Second Secretary Tim Van Anderlecht noted that Barroso had a "light touch" in dealing with China, and always preferred to tackle large, global issues such as climate change and the current financial crisis rather than focus on "relatively insignificant irritations," such as the Dalai Lama.

Czech Presidency Prospects: Potential Pitfalls Abound

14. (C) While the Czech Government, which assumed the rotating EU-presidency January 1, might fare better in its relations with China than the French Government did, many potential pitfalls remained, EU Commission Political Counselor Alex McLachlan told us January 20. He noted that a number of sensitive anniversaries would fall during the Czech Presidency, including the 20th anniversary of the Tiananmen massacre on June 4 and the first-ever celebration of "Serf Liberation Day" March 28 to mark the "launching of democratic reforms" in Tibet. Any number of these anniversaries could result in riots or protests that might prompt a statement of

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concern or condemnation from the EU Presidency, which would, in turn, sour relations with China, he said. McLachlan noted the Chinese might cast individual bilateral issues as related to the whole of Europe, such as the potential resettlement of the Chinese-citizen Uighers detained at Guantanamo Bay to a European nation.

## Czech Approach to China

15. (C) On a bilateral basis, the Czechs might run into problems with the Chinese over the course of their Presidency, Dutch Embassy Second Secretary Rogier Hekking told us January 20. The Czech Government had a reputation as being "tough on human rights," he said, and the "08 Charter," the document currently in circulation in China that calls for greater respect for human rights, was based on a similar document, Charter '77, that had called for human rights in then-Czechoslovakia. Czech DCM Ivana Grollova noted that the Czech legislators often felt they had "little to lose" in criticizing China, given the low volume of trade between the Czech Republic and China, and previously went so far as to fly the Tibetan flag over the Czech Parliament building.

## Keeping the Dalai Lama in Czech

16. (C) The Dalai Lama himself was "not going anywhere," UK First Secretary Gareth Ward noted, and would undoubtedly continue to factor into China-EU relations. China would be "shooting itself in the foot" if it continued to respond as it did with France to any nation that dealt with the Dalai Lama, he said. German Second Secretary Dirk Lechelt noted that the German media was slated to give the Dalai Lama a prize later this month, and the city of Rome offered honorary citizenship to the Dalai Lama during a potential visit February 9. As such, the way forward promised to remain "rocky" for the time being, he said.

EU's Message: Rapprochement is in China's Interest

- 17. (C) Following the cancellation of the EU-China summit, EU member nations presented a unified front that China had "missed a great opportunity" by cancelling, UK First Secretary Gareth Ward said. While the summit would have been an opportunity to discuss topics China sometimes considered "uncomfortable," such as human rights and climate change, it also presented an opportunity not only for commercial expansion but also for technology transfer between the EU and China, Ward said. China's MFA spokesperson Jiang Yu appeared January 13 to concede that good relations were in China's interest, making statements that China seeks to handle the relationship from a "strategic and long-term perspective" and that the two sides had reached a "good consensus" on how to deepen relations in the New Year.
- 18. (C) China was now "making up for lost time," German Second Secretary Dirk Lechelt said, and would be using Premier Wen Jiabao's trip to Europe as an opportunity to finalize contracts not signed during the cancelled summit. He noted that neither side considered the trip to be a "mini-Summit" or a make-up of the cancelled event, which would be "implausible and impractical" during the Czech Presidency due to a lack of planning and logistics complications. Czech Embassy Second Secretary Veronika Musilova declared a summit "extremely impractical," as the Chinese side had been noncommittal, and the Czech side was unwilling to commit to a summit later in its presidency as the looming sensitive anniversaries in China made postponing or cancelling the summit too likely. She noted that the Swedish Government had already begun making plans to host the China-EU summit once it assumed the Presidency of the EU in the latter half of this year. PICCUTA